

**Foodarama Supermarkets**  
**"Store Within a Store" Proposal**

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**Objectives** Conform to proposed upcoming FDA Regulations. Maximize sales and Retail Display Allowances. Create a "smoker friendly environment for those Shop Rite customers that choose to purchase tobacco products.

**"Store Within a Store" Merchandising Advantages**

1. Conforms to proposed FDA Regulations.
2. Allows display and promotion of all Manufacturers' products as well as cigars, chew and pipe tobacco.
3. Due to "limited access" all Manufacturers' contracts fall under self-service definition.
4. Demonstrates Shop Rite's public concern for limited youth access to its customers.

**Proposed Monthly Retail Display Allowances**

R. J. Reynolds	\$ 500
Philip Morris	\$ 368
Lorillard	\$ 138
BAT	<u>\$ 165</u>
	<b>\$ 1,171</b>

\* Based on 1997 Carton Outlet self-service contracts. Payments quoted could be lower or higher based on negotiation with P. Morris, Lorillard and BAT. Contracts subject to change for 1998.

**Merchandising Options**

Option I	Option II	Option III								
Foodarama to have Engo manufacture shelving using RJR carton and pack specifications.	<p>RJR to provide carton merchandisers for its Brands.</p> <p>RJR to provide one single pack merchandiser</p> <p>Philip Morris to provide carton merchandisers and one single pack merchandiser.</p> <p>BAT to provide a carton merchandiser.</p> <p>Lorillard to share space on one other manufacturer's merchandiser.</p>	<p>Foodarama to designate space for department.</p> <p>RJR to provide complete "Store Within a Store" setup:</p> <ul style="list-style-type: none"> <li>- Walls</li> <li>- Double panel glass door</li> <li>- All carton and pack merchandisers</li> <li>- Display case for cigars/pipe tobacco</li> <li>- Counters</li> </ul>								
<p>All Manufacturers to be billed for share of space based on share of market</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>RJR</td> <td>25% of total cost</td> </tr> <tr> <td>P. Morris</td> <td>50% of total cost</td> </tr> <tr> <td>BAT</td> <td>12% of total cost</td> </tr> <tr> <td>Lorillard</td> <td>13% of total cost</td> </tr> </table>	RJR	25% of total cost	P. Morris	50% of total cost	BAT	12% of total cost	Lorillard	13% of total cost	<p>RJR, Philip Morris, and BAT bear the cost of their merchandisers. No charge to Foodarama.</p>	<p>Total cost                    \$ 14,500  <u>RJR to waive</u>                <u>\$ 7,000</u></p> <p>Remaining                    \$ 7,500</p> <p>P. Morris, BAT and Lorillard to "cost share" remaining portion. Fixturing that their Brands occupy will be top down with signage above space.</p>
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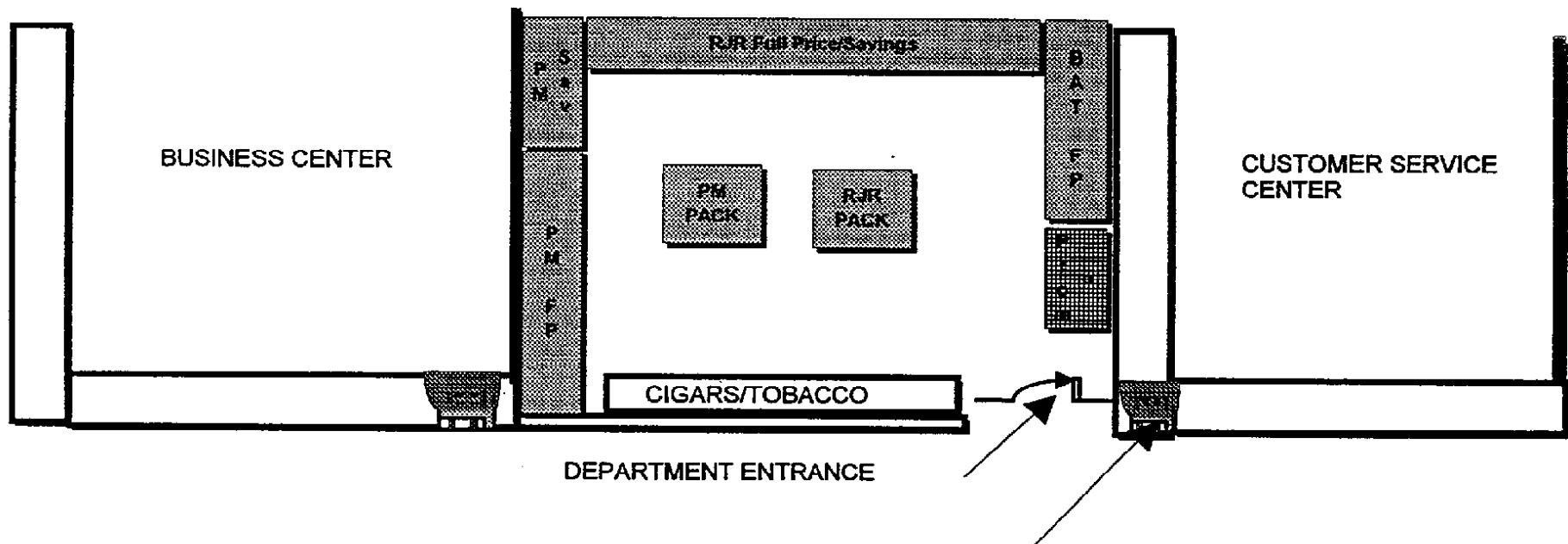
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# Foodarama Supermarkets

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CUSTOMERS PAY FOR PURCHASES FROM CUSTOMER SERVICE COUNTER REGISTER  
CUSTOMERS UNDER 18 YEARS OF AGE NOT PERMITTED TO ENTER DEPARTMENT

DEPARTMENT FEATURES, CIGARETTE CARTONS AND PACKS, PACK PROMOTIONS  
CIGARS, SNUFF, CHEWING AND PIPE TOBACCO  
ALL PRODUCTS DEEMED SELF-SERVICE TO THOSE OVER 18 YEARS OF AGE

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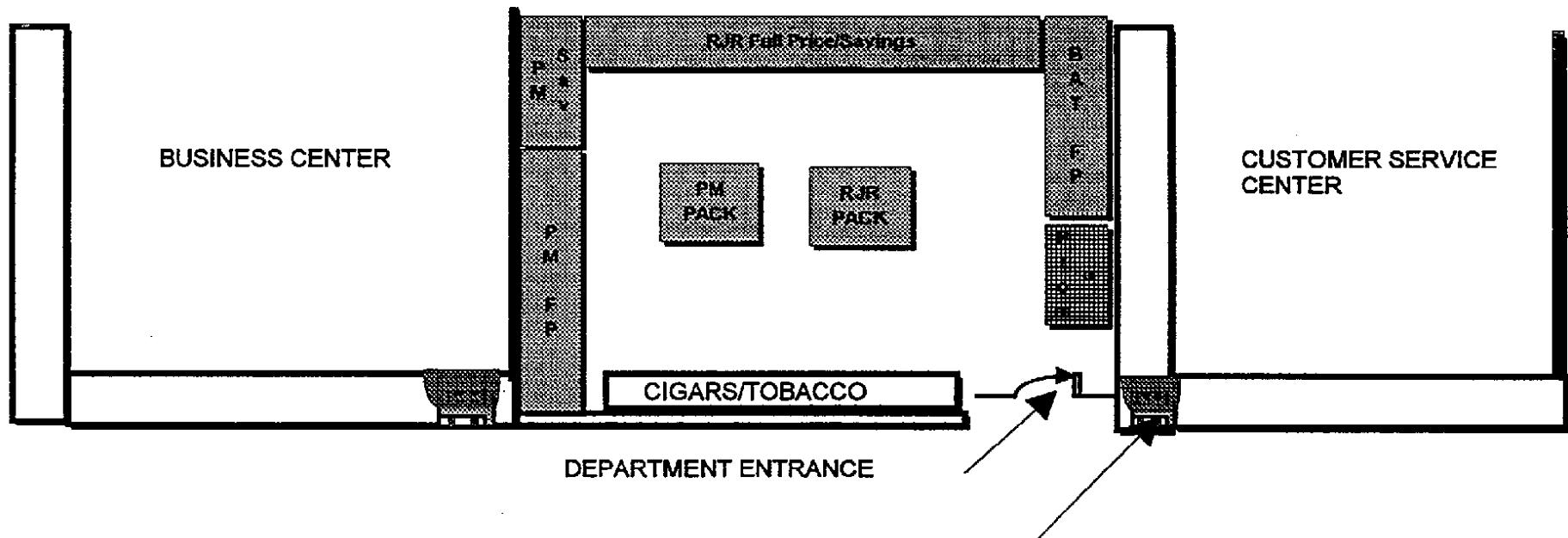
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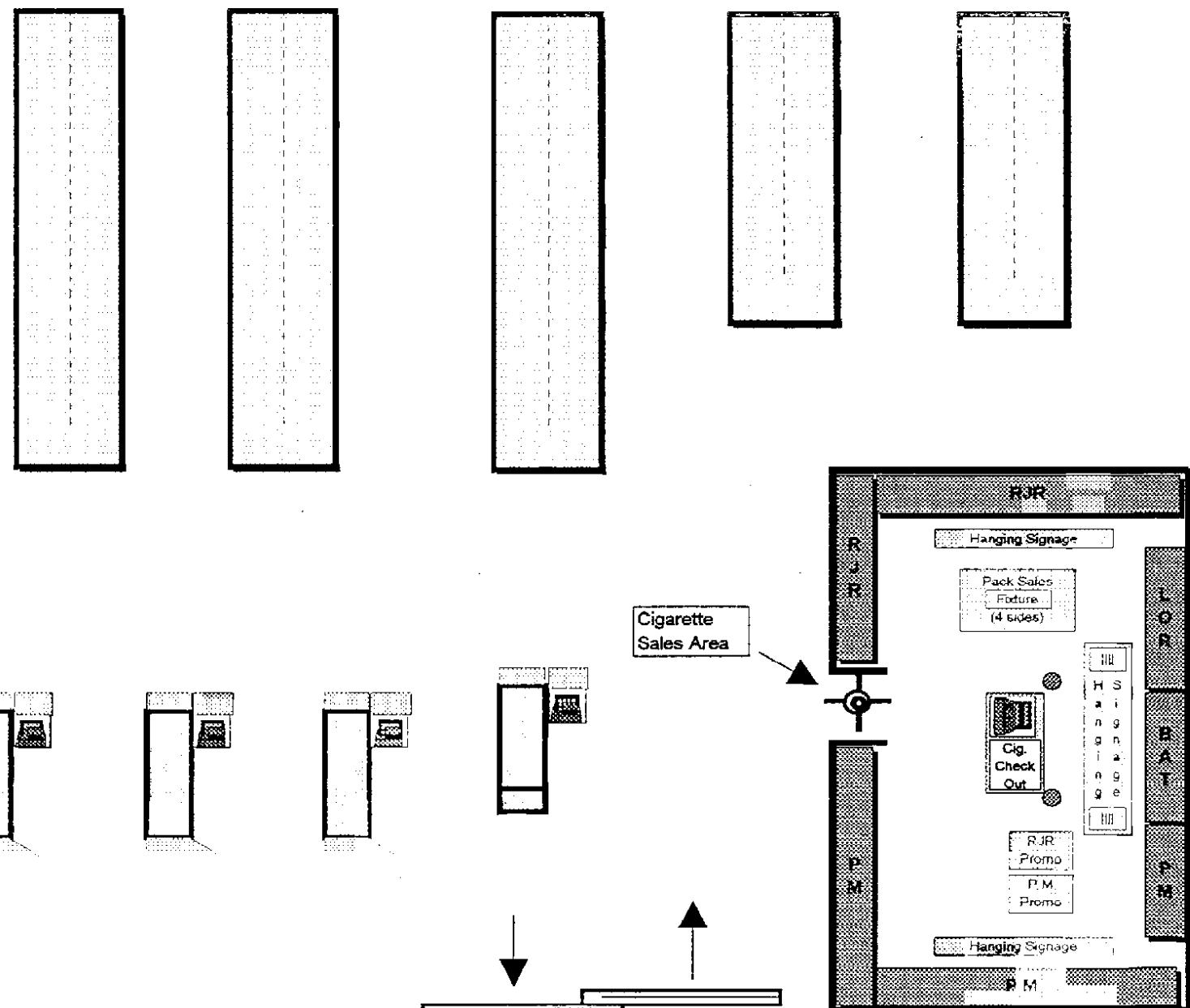
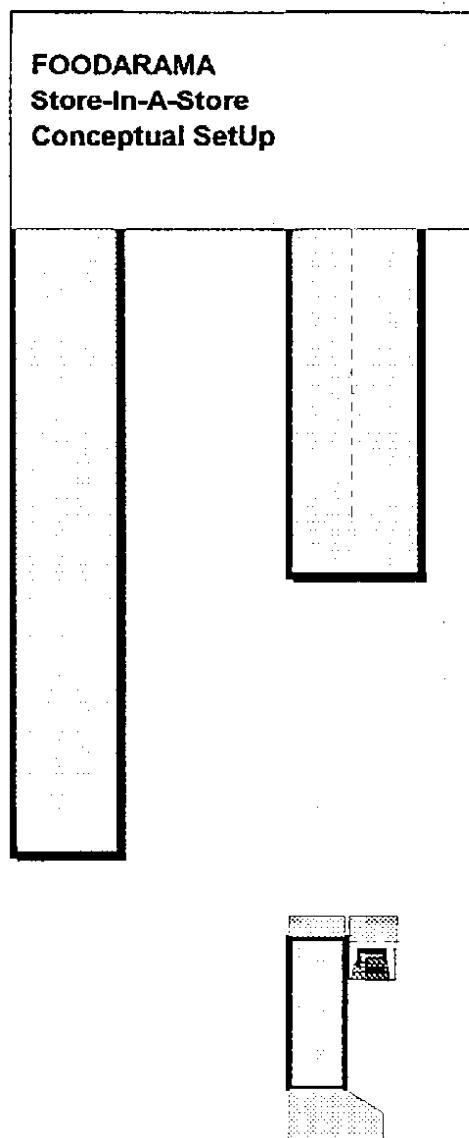
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# SuperMarket Plan-O-Gram Store-In-A-Store Concept



*R.J.Reynolds*  
Tobacco Company

Authorized by: \_\_\_\_\_ Date: \_\_\_\_\_